



# PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION  
445 12th STREET S.W.  
WASHINGTON D.C. 20554

News media information 202-418-0500

Fax-On-Demand 202-418-2830; Internet: <http://www.fcc.gov> (or <ftp.fcc.gov>)

TTY (202) 418-2555

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Report No. SCL-00024

Friday January 26, 2007

## ACTIONS TAKEN UNDER CABLE LANDING LICENSE ACT

### Section 1.767(a) Cable Landing Licenses, Modifications, and Assignments or Transfers of Control of Interests in Cable Landing Licenses (47 C.F.R. § 1.767(a))

By the Chief, Policy Division, International Bureau:

Pursuant to An Act Relating to the Landing and Operation of Submarine Cables in the United States, 47 U.S.C. §§ 34-39 (Cable Landing License Act), Executive Order No. 10530, Exec. Ord. No. 10530 reprinted as amended in 3 U.S.C. § 301, and section 1.767 of the Commission's rules, 47 C.F.R. § 1.767, the following applications ARE GRANTED. These grants of authority are taken under section 0.261 of the Commission's rules, 47 C.F.R. § 0.261. Petitions for reconsideration under section 1.106 or applications for review under section 1.115 of the Commission's rules, 47 C.F.R. §§ 1.106, 1.115, may be filed within 30 days of the date of this public notice.

This public notice serves as each cable landing licensee's Cable Landing License, or modification thereto, pursuant to the Cable Landing License Act and sections 1.767 and 1.768 of the Commission's rules. Cable landing licensees should review carefully the terms and conditions of their licenses. Failure to comply with these terms and conditions or relevant Commission rules and policies could result in fines or forfeitures.

The Commission most recently amended its rules applicable to submarine cable landing licenses in Review of Commission Consideration of Applications under the Cable Landing License Act, IB Docket No. 00-106, FCC 01-332, 16 FCC Rcd 22167 (2001), 67 Fed. Reg. 1615 (Jan. 14, 2002). An updated version of sections 1.767 and 1.768 of the rules is available at <http://www.fcc.gov/ib/pd/pf/telecomrules.html>. See also [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/DA-02-598A1.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/DA-02-598A1.pdf) for a March 13, 2002 Public Notice; [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/FCC-01-332A1.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-01-332A1.pdf) for the December 14, 2001 Report and Order.

Transfer of Control

Grant of Authority

Date of Action: 01/23/2007

**Current Licensee:** Reach Global Networks Limited**FROM:** Commonwealth of Australia**TO:** Telstra Corporation Limited

Action Taken: Grant of authority to transfer control of Reach Global Networks Limited (RGNL) from the Commonwealth of Australia (the Commonwealth) to the shareholders of Telstra Corporation Limited (Telstra). RGNL holds a 13.849206% ownership and voting interest in the Japan-U.S. Cable Network, SCL-LIC-19981117-00025.

Licensee Information: RGNL is a wholly-owned subsidiary of Reach Ltd., both of which are organized under the laws of Bermuda, a WTO Member country. Reach is owned in equal parts by PCCW Limited (PCCW) and Telstra Holdings (Bermuda) (Telstra Bermuda), with each having negative control over Reach. Telstra Bermuda is a wholly-owned, indirect subsidiary of Telstra, a publicly traded corporation organized under the laws of Australia, a WTO Member country.

In the first part of a two part transaction, on November 24, 2006, the Commonwealth of Australia (Commonwealth) sold approximately 30% of Telstra's issued shares, thereby decreasing its holdings in Telstra from 51.8% to approximately 22% (or 17% if all overallocation options are exercised). Although the Commonwealth lost de jure control of Telstra, it continues to maintain de facto control over Telstra pursuant to certain provisions of the Telstra Corporation Act of 1991, as amended, and thus retains negative control over Reach. (See ITC-T/C-20061218-00571, granted DA 06-2567, rel. Dec. 21, 2006.)

In the second part of the transaction, the Commonwealth intends to transfer all of its remaining shares of Telstra (approximately 17 to 22%) to the Future Fund Board of Guardians (the Future Fund Board) by no later than February 24, 2007. The Future Fund is a Commonwealth investment fund and separate legal entity from the Commonwealth. Upon closing of the transfer transaction the Future Fund Board will hold 17 to 22% of Telstra shares (held in escrow for a mandatory two years, thereafter sold and proceeds reinvested) and the other 83% will be widely held with no other shareholder expected to hold 10 percent or more of the shares in Telstra. According to the Applicants, the Future Fund Board will not have any of the statutory rights of the Commonwealth related to Telstra conveyed to it and will only have the rights and obligations of other Telstra shareholders, and thus will not have control of Telstra or Telstra Bermuda. After the transfer of the shares from the Commonwealth to the Future Fund, PCCW and Telstra Bermuda will continue to each have 50% ownership of Reach with negative control.

Regulatory Status of Cable: The Japan-U.S. Cable Network is operated on a non-common carrier basis. See AT&T Corp et al. Joint Application for a License to Land and Operate a Submarine Cable Network Between the United States and Japan, File No. SCL-LIC-19981117-00025, Cable Landing License, FCC 99-167, 14 FCC Rcd. 13066, 13067, 13079-81, paras. 1, 37-42 (1999) (Japan-U.S. Cable Landing License).

Conditions and Requirements: See Japan-U.S. Cable Landing License, 14 FCC Rcd. at 13082-84, para. 45.

Licensees shall comply with the requirements of Section 1.768 (notifications and prior approval for submarine cable landing licensees that are or propose to become affiliated with a foreign carrier), 47 C.F.R. § 1.768.

Grant of the application is conditioned on compliance with the provisions of a November 29, 2001 Agreement by and between Reach Ltd., Telstra Corporation Limited, and Pacific Century CyberWorks Limited, on the one hand, and the Federal Bureau of Investigation and the U.S. Department of Justice on the other hand (November 29, 2001 Agreement). A copy of the November 29, 2001 Agreement is publicly available in the record of this proceeding and may be viewed on the FCC web-site through the International Bureau Filing System (IBFS) by searching for SCL-T/C-20061204-00013 and accessing the "Attachment Menu" from the Document Viewing area.

Cable Design: See Japan-U.S. Cable Landing License, 14 FCC Rcd. at 13069-70, paras. 6-7.

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